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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

DOCKETED

MAY 27 2010

DOCKETED BY

14 APPLICATION OF ESTATE OF
15 WILLIAM F. RANDALL DBA VALLE
16 VERDE WATER COMPANY FOR AN
17 INCREASE IN ITS WATER RATES

Docket No. W-01431A-09-0360
W-01431A-09-0361

POST-HEARING BRIEF

18
19 The Estate of William F. Randall, dba Valle Verde Water Company ("Company"
20 or "Valle Verde") hereby files its post-hearing brief ("Brief"). In this Brief, the Company
21 is submitting its final updated schedules and its positions on the outstanding issues,
22 including the treatment of depreciation, the proposed temporary surcharge, and property
23 tax expenses.

24
25 The Company moves that the documents set forth in the exhibits attached to this
26 Brief be considered late-filed exhibits and be admitted as part of the record in this docket.
27
28

1.0 FINAL SCHEDULES

The Company's proposed final updated schedules are set forth in Exhibit 1. These schedules are nearly identical to the schedules the Company submitted on rejoinder. The only change was the addition of water testing expenses in C-1 and the flow through impact on rates. The Company believes that the testimony at the hearing established the additional testing is reasonable. Tr. at p. 27, ln. 12 – p. 28, ln. 7 (O'Connor); p. 31, ln. 25 – p. 32, ln. 9 (O'Connor); p. 37, ln. 25 – p. 38, ln. 24 (DeJaquez); p. 41, ln. 18 – p. 42, ln. 14 (DeJaquez).

2.0 DEPRECIATION

The Commission's rate-making authority must be "just and reasonable". A.R.S. Const. Art. 15 § 3; *Residential Utility Consumer Office v. Arizona Corp. Com'n*, (App. Div.1 2001). The Company asserts that revenues from depreciation is an operating expense and should not be used to service debt. On the other hand, Staff is recommending rates derived from a formula that "backs out" \$111,500 of depreciation from operating expense. Put another way, Staff first includes the revenue from depreciation to cover operating expenses, and then it later includes that same revenue from depreciation to service debt.

While this looks good on paper, the result of this double-counting of depreciation is that the Company's net income will be less than \$600 a year. Tr. at p. 170, ln. 25 – p. 171, ln. 8. Knowing this 730-connection water system is distressed and has annual operating expenses exceeding \$500,000, establishing rates that will leave the Company with less than \$50 a month to make unanticipated capital system repairs is not reasonable.

1 Accordingly, the Commission should adopt the Company's proposed rates rather than
2 Staff's proposed rates and leave depreciation as an operating expense.

3 4 **2.1 Explanation of Depreciation**

5 Generally, the purpose of depreciation is to recover money already spent in a
6 previous year on plant. Tr. at p. 109, ln. 22-24 (Rowell). Depreciation is pro rata
7 recovery of the cost of an asset currently serving customers over its useful life. Tr. at p.
8 104, ln. 6-11 (Rowell). Depreciation is considered a non-cash expense because it is
9 essentially a recapture of money already spent. Tr. at p. 103, ln. 25 – p. 104, ln. 5
10 (Rowell). As a practical matter, as water system plant nears the end of its useful life and
11 major capital repairs become necessary, the cash flow from depreciation offers a water
12 company revenue to make repairs. Tr. at p. 106, ln. 11 - p. 108, ln. 4 (Rowell).

15 16 **2.2 The Importance of Depreciation Treatment Here**

17 Staff and the Company agree the revenue requirement for Valle Verde should be
18 calculated using an operating margin approach. This approach sets rates by calculating
19 the revenue required to meet: (1) operating expenses, including depreciation; and (2) debt
20 obligations such as advance refunds, interest expense, and payment repayment.

22 Valle Verde's depreciation expense is \$111,500. Depreciation is the Company's
23 second largest operating expense. Under Staff's recommendation, this represents 22% of
24 the Company's operating expenses (111,500 / 504,431). See Exhibit S-4, Surrebuttal
25 Schedule PMC-6. Since rates are being calculated using the operating margin approach,
26 how depreciation is treated will determine whether the Company will be able to generate
27 enough revenue to meet its operating expenses and pay for debt service.
28

2.3 Revenue from Depreciation Is Needed to Cover Operating Expenses

The Valle Verde water system is severely distressed. Much of its source water is contaminated with a cleaning solvent commonly referred to as PCE and requires treatment. Tr. at p. 13, ln. 22 – p. 14, ln. 21 (O'Connor). During the test year, over 300 leaks were repaired. Tr. at p. 13, ln. 4-8 (O'Connor). When Southwestern Utility Management first began managing the system, it was in extremely poor condition, and while it has been improved considerably, much more work needs to be done. On a scale of 1 to 10 (1 being extremely poor and 10 being excellent), the system grade used to be 1 and is now a 2. See Tr. at p. 11, ln. 11-15; p. 15, ln. 6-11 (O'Connor). Clearly, in this case, revenue from depreciation needs to remain as a non-cash operating expense to continue to improve the system.

The Company also needs additional revenues to service debt. Both the Company and Staff agree that Valle Verde should enter into the proposed \$1,278,238 loan agreement with the Water Infrastructure Finance Authority ("WIFA"). The Company's proposed rates will allow it to make the necessary system repairs and stop operating with insufficient funding.

2.4 The Formula Applied by Staff Unreasonably Allocates the Revenue from Depreciation to Cover Both Operating Expenses and Debt Service.

Again, using the operating margin approach to rate-making, it is necessary to ensure there is sufficient revenue to cover operating expenses and service debt. The problem here is that the debt service coverage ratio used by Staff "backs out" depreciation from operating expenses to justify cash flow sufficient to cover debt service.

1 See Exhibit S-4, Surrebuttal Schedule PMC-6, ln. 31. Consequently, on paper it looks like
2 the Company's revenues are more than adequate to service the debt and cover the
3 Company's operating expenses. But in reality, revenues from depreciation are being
4 counted as both an operating expense and a debt service stream. Company witness Mrs.
5 Rowell explained the situation as follows:
6

7 [I]f you exclude depreciation expense from operating income, I think that
8 the debt service number comes back artificially high. Because based what
9 Staff has produced, they're saying a ten percent operating margin is good
10 because it produces a debt service coverage ratio of 1.74. But yet at the end
11 of the day, the company has \$600 of net income and they're having to use
12 the cash flow from the depreciation expense to service the debt. So to me,
13 that's robbing Peter to pay Paul. So the company is not being allowed to
14 recover the investment in the assets, no matter who made it. You still have
15 to depreciate them over their useful life to recover the cost, that's part of the
16 operating expense. So then to use that money to pay the loan just doesn't
17 seem fair. It seems very risky of putting the company in jeopardy of,
18 basically, not having the cash flow from depreciation expense to pay for
19 PCE or, you know, the next thing to show up, whatever it may be....

20 Tr. at. p. 102, ln. 12 – p. 103, ln. 5 (Rowell). As Mrs. Rowell noted above, if this
21 recommendation is adopted, the practical effect is that the Company's net income will be
22 less than \$600 a year, which is an unreasonably thin financial cushion for a system with
23 730 connections.

24 **3.0 SURCHARGE**

25 During 2007 and 2008, the Company had no choice but to spend \$325,614.59 to
26 purchase millions of gallons of water from the City of Nogales ("Nogales"). Previously,
27 the Commission granted the Company emergency rate surcharge, in part, to purchase
28 water. However, when the permanent rates go into effect, this emergency surcharge will
terminate. Although the emergency rates have helped the Company pay for some of this

1 expense, the Company still owes Nogales \$95,707.84.

2 Initially, the Company sought to recover \$187,065 spent to purchase water during
3 the test year in permanent rates. But Staff disallowed this as a non-recurring expense,
4 leaving the Company with no revenue stream to pay the existing \$95,707.84 debt. Tr. at
5 p. 61, ln. 19-22 (Rowell). At the hearing, it appeared as though Staff considered the
6 proposed temporary surcharge approach based upon volume of water uses as a reasonable
7 solution.
8

9
10 Therefore, the Company is now proposing a temporary surcharge to provide a
11 dedicated revenue stream to pay this debt. Considering all the factors, including
12 Nogales' repayment demands, Valle Verde is seeking a temporary \$.60 per 1,000 gallons
13 of water surcharge designed to pay the debt within 18 months. See Exhibit 1, Final
14 Schedule C2-c. The funds would be tracked as a revenue stream dedicated solely to
15 repay the debt to Nogales. The Company would discontinue the surcharge as soon as the
16 debt is paid.
17
18

19 **4.0 PROPERTY TAXES**

20
21 The Company and Staff witnesses offered conflicting testimony and evidence
22 regarding the amount of revenue that will be necessary to pay the Company's property
23 taxes. When weighing evidence presented by witnesses, it is well established that the
24 Commission should apply reasonable judgment concerning all relevant factors. See *City*
25 *of Tucson v. Citizens Utilities Water Co.*, 17 Ariz.App. 477, 480-481, 498 P.2d 551, 554 -
26 555 (Ariz.App. 1972) ("It is well established 'purely speculative inferences or
27 conclusions do not constitute substantial evidence', ... and 'an inference cannot ... stand
28

1 in the face ... of another inference equally reasonable....”(citation omitted)).

2 The Company asserts that the property tax expense will be at least \$14,129.14.

3
4 The Company’s position is based upon the actual test year property tax expense. These
5 expenses are supported by the documents set forth in Exhibit 2 and the table below
6 details these measurable costs:

Date	Parcel No.	Description	Amount
03-Nov-08	113-42-010	1st half 2008	\$ 264.36
27-Feb-08	113-42-013	2nd half 2007	411.40
28-Oct-08	113-42-013	1st half 2008	443.13
28-Oct-08	113-43-017	entire year	63.00
27-Feb-08	928-30-101	2nd half 2007	1,726.60
03-Nov-08	928-30-101	1st half 2008	1,642.17
27-Feb-08	928-30-150	2nd half 2007	5,085.85
03-Nov-08	928-30-150	1st half 2008	4,492.63
Test Year Property Tax Expense			<u>\$ 14,129.14</u>

14
15
16 In fact, when the rates increase, the property taxes will rise above the current tax level of
17 \$14,129.14. Tr. at p. 60, ln. 16 – p. 61, ln. 3 (Rowell).

18 Staff admits that the Company paid this amount in taxes. Tr. p. 148, ln. 9-10
19 (Chaves). Staff nonetheless argues that the Company’s property taxes will go down to
20 \$9,108. To explain why the taxes will go down when revenue increases significantly,
21 Staff surmises that Santa Cruz County has been overcharging Valle Verde on its taxes.
22 Tr. at p. 148, ln. 5 – p. 149, ln. 19 (Chaves). Staff’s witness acknowledged, however, that
23 Staff’s estimated property taxes could differ from the actual property taxes charged to the
24 Company if the taxing authority valued the property at a rate higher than the
25 Commission. Tr. at p. 152, ln. 10-21.
26
27
28

1 Thus, the choice is clear: (a) recognize the \$14,129.14 expense based upon actual
2 known taxes; or (b) accept the speculation that Santa Cruz County has overtaxed the
3 Company and adopt Staff's position that the taxes will drop approximately \$5,000 once
4 the rates increase. Clearly, the Company's nonspeculative, actual cost evidence is a far
5 more reasonable approach.
6

7 **5.0 GRANT FUNDING**

8
9 Southwestern Utility Management has secured several grants for the benefit of the
10 Company. First, it has applied for and received approximately \$435,306 in funding
11 through the Water Quality of Arizona Relief Fund ("WQARF") to install and maintain a
12 Granulated Activated Carbon System ("GAC System") to treat VOC chemical
13 contamination of source water pumped from seven Company wells. Second,
14 Southwestern Utility Management has secured approximately \$356,000 for water system
15 repairs through the House Bill 2521 Interim Manager Grant Fund.
16
17

18 RESPECTFULLY SUBMITTED this 27th day of May, 2010.
19

20 **Moyes Sellers & Sims Ltd.**

21 

22 Steve Wene

23 Attorneys for Valle Verde Water Company
24

25 Original and 15 copies of the foregoing
26 filed this 27th day of May, 2010, with:

27 Docket Control
28 Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

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2 Copy of the foregoing mailed this
27th day of May, 2010, to:

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EXHIBIT 1

Valle Verde Water Company
Test Year Ended December 31, 2008

Final Schedule A-1
Title: Computation of Increase in Gross
Revenue Requirements.

Explanation:
Schedule showing computation of increase in
gross revenue requirements and spread of revenue
increase by customer classification.

Required for:	All Utilities	<input checked="" type="checkbox"/>
	Class A	<input type="checkbox"/>
	Class B	<input type="checkbox"/>
	Class C	<input type="checkbox"/>
	Class D	<input type="checkbox"/>
	Special Reqmt	<input type="checkbox"/>

	Original Cost	RCND	
1. Adjusted Rate Base	\$ (527,095) (a)		(a)
2. Adjusted Operating Income	\$ (249,166) (b)		(b)
3. Current Rate of Return	0.00%		
4. Required Operating Income	\$ 145,287		
5. Required Rate of Return	5.00%		
6. Operating Income Deficiency (4 - 2)	\$ 394,453		
7. Gross Revenue Conversion Factor	1.0000 (c)		(c)
8. Increase in Gross Revenue Requirements (6 x 7)	\$ 394,453		

9. Proposed Revenue	\$ 671,604
10. Required Operating Margin	21.63%
11. Required Operating Income (9 x 10)	\$ 145,287
12. Operating Income Deficiency (11 - 2)	\$ 394,453
13. Gross Revenue Conversion Factor	1.0000
14. Increase in Gross Revenue Requirements (12 x 13)	\$ 394,453
<i>WIFA DSCR check calculation</i>	
15. Proposed Operating Income	\$ 145,287
16. Annual Proposed Debt Service Amount + AIAC repayments ¹	116,230
17. Debt Service Coverage Ratio (15 / 16)	1.25

Customer Classification	Revenue at Present Rates	Revenue at Proposed Rates	Dollar Increase	Percent Increase	
Residential	\$ 288,718	\$ 409,998	\$ 121,280	42.01%	(d)
Commercial	148,669	255,573	106,904	71.91%	
Other Revenue	6,033	6,033	-	0.00%	
Total	\$ 443,420	\$ 671,604	\$ 228,184	51.46%	

Note: For combination utilities, the above information should be presented in total and by department.

¹ \$101,230 annual debt service amount plus estimated AIAC repayments of \$15,000.

Supporting Schedules:

- (a) B-1 (c) C-3
- (b) C-1 (d) H-1

Valle Verde Water Company

Test Year Ended December 31, 2008

Final Schedule A-2**Title: Summary Results of Operations****Explanation:**

Schedule showing comparative operating results for the test year and the 2 fiscal years ended prior to the end of the test year, compared with the projected year.

Required for: All Utilities

Class A

Class B

Class C

Class D

Speci Reqmt

☒☐☐☐☐☐

Description	<u>Prior Years</u>		<u>Test Year</u>		<u>Projected Year</u>	
	Year End	Year End	Actual	Adjusted	Present	Proposed
	31-Dec-06	31-Dec-07	Rates	Rates	Rates	Rates
	(a)	(a)	(a)	(b)	(c)	(c)
1. Gross Revenues	\$ 256,206	\$ 295,555	\$ 443,420	\$ 277,151	\$ 277,151	\$ 671,604
2. Revenue Deductions & Operating Expenses	(363,868)	(537,379)	(709,638)	(526,317)	(526,317)	(526,317)
3. Operating Income	(107,662)	(241,824)	(266,218)	(249,166)	(249,166)	145,287
4. Other Income and Deductions	-	1,227				
5. Interest Expense	-	-	(1,184)	(64,229)	(64,229)	(64,229)
6. Net Income	\$ (107,662)	\$ (240,597)	\$ (267,402)	\$ (313,395)	\$ (313,395)	\$ 81,058

7. Earned Per Average Common Share*
 8. Dividends Per Common Share*
 9. Payout Ratio*
 10. Return on Average Invested Capital
 11. Return on Year End Capital
 12. Return on Average Common Equity
 13. Return on Year End Common Equity
 14. Times Bond Interest Earned - Before Inc Tax
 15. Times Total Interest and Preferred
 Dividends Earned - After Income Taxes

Ratios not meaningful due to negative equity amount.

Supporting Schedules:

(a) E-2

(b) C-1

(c) F-1

*Optional for projected year

Valle Verde Water Company
Test Year Ended December 31, 2008

Final Schedule A-4
Title: Construction Expenditures and
Gross Utility Plant in Service

Explanation:
Schedule showing construction expenditures, plant placed in service and gross utility plant in service for the test year and the 2 fiscal years ended prior to the end of the test year, compared with the projected year.

Required for:	All Utilities	<input checked="checked" type="checkbox"/>
	Class A	<input type="checkbox"/>
	Class B	<input type="checkbox"/>
	Class C	<input type="checkbox"/>
	Class D	<input type="checkbox"/>
	Spec'l Reqmt	<input type="checkbox"/>

Year	Construction Expenditures (a)	Net Plant Placed In Service (b)	Gross Utility Plant In Service
1. Prior Year 1 - 2006	\$ 5,179	\$ 5,179	\$ 2,392,226
2. Prior Year 2 - 2007	68,842	19,553	2,411,779
3. Test Year - 2008	429,955	451,611	2,863,390
4. Projected Year - 2009	244,731	263,029	3,126,419
5. Projected *			
6. Projected *			

*** Required only for Class A and B Utilities**

NOTE: For combination utilities, above information should be presented in total and by department.

Supporting Schedules:

(a) F-3

(b) E-5

Valle Verde Water Company
Test Year Ended December 31, 2008

Final Schedule B-1
Title: Summary of Original Cost
and RCND

Explanation:
Schedule showing elements of adjusted original cost
and RCND rate bases.

Required for: All Utilities
Class A
Class B
Class C
Class D
Spec'l Reqmt

X

	Original Cost Rate Base*	RCND Rate Base*
1. Gross Utility Plant in Service	\$ 2,863,390	
2. Less: Accumulated Depreciation	<u>(1,460,213)</u>	
3. Net Utility Plant in Service	\$ 1,403,177 (a)	(b)
Less:		
4. Advances in Aid of Construction	(1,515,730) (c)	(c)
5. Contributions in Aid of Construction	(414,542) (c)	(c)
Add:		
6. Allowance for Working Capital	<u>-</u> (d)	(d)
7. Total Rate Base	\$ (527,095) (e)	(e)

* Including pro forma adjustments

NOTE: For combination utilities, above information should be presented in total and by department.

Supporting Schedules:

(a) B-2 (d) B-5

(b) B-3

(c) E-1, B-2a

Recap Schedules:

(e) A-1

Valle Verde Water Company
Test Year Ended December 31, 2008

Final Schedule B-2
Title: Original Cost Rate Base
Proforma Adjustments

Explanation:
Schedule showing pro forma adjustments to gross plant
in service and accumulated depreciation, and original
cost rate base.

Required for: All Utilities

Class A

Class B

Class C

Class D

Spec'l Reqmt

X

	Actual at End Of Test Year (a)	Pro forma Adjustment	Adjusted at End Of Test Year (b)
1. Gross Utility Plant in Service	\$ 2,858,608	\$ 4,782	1 \$ 2,863,390
2. Less: Accumulated Depreciation	(1,461,206)	993	(1,460,213)
3. Net Utility Plant in Service	\$ 1,397,402	\$ 5,775	\$ 1,403,177
LESS:			
4. Advances in Aid of Construction (AIAC)	\$ 1,517,230	\$ (1,500)	2 \$ 1,515,730
5. Contributions in Aid of Construction (CIAC)	\$ 508,922	\$ (87,536)	3 \$ 421,386
6. Less: Accumulated Amortization	(6,844)	(0)	4 \$ (6,844)
7. Net CIAC	\$ 502,078	\$ (87,536)	\$ 414,542
ADD:			
8. Allowance for Working Capital	\$ 52,205	\$ (52,205)	5 \$ -
9. TOTAL RATE BASE	\$ (569,701)	\$ 42,606	\$ (527,095)

All pro forma adjustments should be adequately explained on this schedule or on attachments hereto.

- 1 Reclassify two debit amounts (checks) recorded CIAC that should have been classified as plant built with WQARF funding.

Check 1014 dated 12/08/08 to Jim's Electric for Invoice 6866 (to 307)	\$ 1,582
Check 1015 dated 12/08/08 to Desert Plumbing for Invoice 10501 (to 304)	3,200
Total amount of reclassifications from CIAC to Plant in Service	\$ 4,782

- 2 Please refer to Scheduled B-2a for detail regarding adjustments to AIAC, CIAC, and CIAC amortization.
3 Please refer to Scheduled B-2a.
4 Please refer to Scheduled B-2a.
5 Per Staff Surrebuttal Schedule PMC-2

NOTE: For combination utilities, above information should be presented in total and by department.

Supporting Schedules:

(a) E-1, B-2a

Recap Schedules:

(b) B-1

Valle Verde Water Company
Test Year Ended December 31, 2008

Final Schedule B-2a
Title: Original Cost Rate Base
Proforma Adjustments

Explanation:
Schedule detailing the adjustments to AIAC, CIAC and CIAC
amortization.

<u>Adj #</u>		
	12/31/08 CIAC balance per Company direct testimony	\$ 502,640
1 & 3	Reclassify check to wells plant account	1,582
1 & 3	Reclassify check to structures plant account	3,200
	Reclassify amount for Santa Cruz County line extension	
2 & 3	from AIAC	1,500
	Revised 12/31/08 CIAC balance for Rejoinder	<u>\$ 508,922</u>

Detail of CIAC 12/31/08 balance:

	WQARF funds used to upgrade well and install GAC system	\$ (405,000)	
3	HB2521 Grant - received at end of test year and not spent		\$ (93,818)
	Santa Cruz County line extension	(10,104)	
	Subtotal of spent CIAC/unspent CIAC at test year end	<u>\$ (415,104)</u>	<u>\$ (93,818)</u>
	Total adjusted CIAC balance		\$ (508,922)

Calculation of CIAC Amortization 12/31/08 balance:

	Full Year	First Year
Amortization of plant installed with WQARF funds @ 3.33%	\$ (13,487)	
Half year convention to match depreciation expense		\$ (6,743)
Amortization of plant installed with HB2521 funds @ 3.33%	-	
Half year convention to match depreciation expense		\$ -
Amortization of Santa Cruz County line extension @ 2.00%	(202)	
Half year convention to match depreciation expense		(101)
	<u>\$ (13,689)</u>	<u>\$ (6,844)</u>
4 Accumulated Amortization of CIAC at 12/31/08		\$ 6,844
Amortization Expense after first year	\$ 13,689	

Supporting Schedules:

Recap Schedules:

Valle Verde Water Company
Test Year Ended December 31, 2008

Final Schedule B-5
Title: Computation of Working Capital

Explanation:
Schedule showing computation of working capital allowance.

Required for:	All Utilities	<input checked="" type="checkbox"/>
	Class A	<input type="checkbox"/>
	Class B	<input type="checkbox"/>
	Class C	<input type="checkbox"/>
	Class D	<input type="checkbox"/>
	Spec'l Reqmt	<input type="checkbox"/>

	<u>Amount</u>	
1. Cash working capital		
1/24th Purchased Power		
1/24th Purchased Water		
1/8th Operation & Maintenance Expense		
2. Materials and Supplies Inventories		(a)
3. Prepayments		(a)
4. Total Working Capital Allowance	<u>\$ -</u>	(b)

NOTES:

1. Adequate detail should be provided to determine the bases for the above computations.
2. Adjusted test year operating expenses should be used in computing cash working capital requirements.
3. Combination utilities should compute working capital allowances for each department.

Supporting Schedules:
(a) E-1

Recap Schedules:
(b) B-1

Valle Verde Water Company
Test Year Ended December 31, 2008

Final Schedule C-1
Title: Adjusted Test Year Income Statement

Explanation:
Schedule showing statement of income for the test year,
including pro forma adjustments.

Required for: All Utilities	<input checked="" type="checkbox"/>
Class A	<input type="checkbox"/>
Class B	<input type="checkbox"/>
Class C	<input type="checkbox"/>
Class D	<input type="checkbox"/>
Spec'l Reqmt	<input type="checkbox"/>

Description	Actual for Test Year Ended (a) 31-Dec-08		Proforma Adjustments (b)	Test Year Results After Pro Forma Adjustments		Proposed Rate Increase	Adjusted Test Year With Rate Increase
Operating Revenues:							
461 Metered Water Revenue	\$ 271,118			\$ 271,118	G	\$ 394,453	\$ 665,571
461 Surcharge Revenue	166,270	A	\$ (166,270)	-	H	\$ 63,805	-
474 Other Water Revenue	6,033			6,033			6,033
Total Operating Revenue	\$ 443,420		\$ (166,270)	\$ 277,151		\$ 394,453	\$ 671,604
Operating Expenses:							
601 Salaries & Wages	\$ 71,814			\$ 71,814			\$ 71,814
610 Purchased Water	187,158	E	(187,158)	-			-
615 Purchased Power	38,214			38,214			38,214
618 Chemicals	919			919			919
620 Repairs & Maintenance	58,561			58,561			58,561
621 Office Supplies and Expense	18,166			18,166			18,166
630 Outside Services	152,005			152,005			152,005
635 Water Testing	10,447	F	-	10,447			10,447
641 Rental Expense				-			-
650 Transportation Expense	10,277			10,277			10,277
657 Insurance - General Liability	10,940			10,940			10,940
659 Insurance - Health and Life				-			-
666 Rate Case Expense		B	8,333	8,333			8,333
675 Miscellaneous Expense	1,056			1,056			1,056
403 Depreciation & Amortization	127,449	C	(4,497)	122,952			122,952
408 Property Taxes	14,129			14,129			14,129
408.11 Taxes Other Than Income	8,503			8,503			8,503
409 Income Taxes				-			-
Total Operating Expenses	\$ 709,638		\$ (183,322)	\$ 526,317		\$ -	\$ 526,317
OPERATING INCOME/(LOSS)	\$ (266,218)		\$ 17,051	\$ (249,166)	(c)	\$ 394,453	\$ 145,287
Other Income/(Expense):							
419 Interest Income	\$ -		\$ -	\$ -		\$ -	\$ -
427 Interest Expense	(1,184)	D	(63,045)	(64,229)			(64,229)
Total Other Income/(Expense)	\$ (1,184)		\$ (63,045)	\$ (64,229)		\$ -	\$ (64,229)
NET INCOME/(LOSS)	\$ (267,402)		\$ (45,993)	\$ (313,395)		\$ 394,453	\$ 81,058

Note: For combination utilities, above information should be presented in total and by department.

Supporting Schedules:
(a) E-2 (b) C-2

Recap Schedules:
(c) A-1

Valle Verde Water Company
Test Year Ended December 31, 2008

Final Schedule C-2
Title: Income Statement Proforma
Adjustments

Explanation:
Schedule itemizing pro forma adjustments to the test year
income statement.

Required for:	All Utilities	<input checked="" type="checkbox"/>
	Class A	<input type="checkbox"/>
	Class B	<input type="checkbox"/>
	Class C	<input type="checkbox"/>
	Class D	<input type="checkbox"/>
	Speci Reqmt	<input type="checkbox"/>

Adj No.	Explanation of Adjustment	Adjustment Amount
A	Decrease surcharge revenue to remove amounts billed during the test year, non-recurring revenue per Staff.	\$ (166,270)
B	Increase Rate Case Expense to include \$25,000 amortized over three years.	8,333
C	Adjust depreciation to reflect proposed depreciation rates applied to year end plant in service as calculated on Schedule C-2a.	(4,497)
D	Increase interest expense to include proforma adjustment for WIFA loan based on estimated terms per Schedule C-2b.	(63,045)
E	Remove test year purchased water expense determined by Staff to be a non-recurring expense. Please refer to Schedule C-2c for further detail regarding recovery of the unpaid balance for purchased water expense.	(187,158)
F	Removed as a result of testimony at Hearing	-
G	Increase proposed meter water revenue per calculation on Schedule A-1.	394,453
H	Increase surcharge revenue for temporary recovery mechanism for balance of purchased water still owed to the City of Nogales as calculated on Schedule C-2c.	63,805

Note: All pro forma adjustments should be adequately explained on this schedule or on attachments thereto.

Supporting Schedules:
C-2a C-2b

Recap Schedules:
(a) C-1

Valle Verde Water Company
Test Year Ended December 31, 2008

Final Schedule C-2a
Title: Income Statement Proforma
Adjustments

Explanation:

Schedule detailing the calculations for proforma Adjustment C to depreciation expense for the projected year income statement (excluding proposed WIFA plant).

Acct No.	Description	Depreciation Rate	Plant Amount	Proposed Depr Exp
302	Franchises	0.00%	\$ 125	\$ -
303	Land & Land Rights	0.00%	86,093	-
304	Structures & Improvements	3.33%	503,314	16,760
307	Wells & Springs	3.33%	559,171	18,620
311	Pumping Equipment	12.50%	292,876	36,610
320.1	Water Treatment Plant	3.33%	4,533	-
			6,626	221
320.2	Solution Chemical Feeders	20.00%	345	69
330.1	Storage Tanks	2.22%	285,871	6,346
330.2	Pressure Tanks	5.00%	80,630	4,032
331	T&D Mains	2.00%	579,729	11,595
333	Services	3.33%	51,108	1,702
334	Meters & Meter Installations	8.33%	93,702	7,805
335	Hydrants	2.00%	35,007	700
340.0	Office Furniture & Equipment	6.67%	16,552	1,104
340.1	computers	20.00%	-	-
341	Transportation Equipment	20.00%	71,364	14,273
343	Tools, Shop, and Garage Equipment	5.00%	11,729	586
345	Power Operated Equipment	5.00%	44,869	2,243
348	Other Tangible Plant	10.00%	139,746	13,975
TOTALS			\$ 2,863,390	\$ 136,641

Proposed Amortization of CIAC per Schedule B-2a (13,689)

Proposed Depreciation Expense \$ 122,952

Test Year Depreciation Expense 127,449

Adjustment to Depreciation Expense \$ (4,497)

Supporting Schedules:

Recap Schedules:
C-1, C-2

Valle Verde Water Company
Test Year Ended December 31, 2008

Final Schedule C-2b
Title: Income Statement Proforma
Adjustments

Explanation:
Schedule detailing the calculations for proforma Adjustment D to interest expense for the projected year income statement.

Amount Financed:	\$	1,278,238	Compounding Periods:	12
Number of years:		20	APR:	5.12%
Interest rate (r):		5.00%		

PROJECTED LOAN AMORTIZATION SCHEDULE

Period	Payment Amount (1)	Principal at Beginning of Month (2)	Interest Amount [r * (2)] (3)	Principal Amount [(1) - (3)] (4)	Principal at End of Month [(2) - (4)] (5)
1	\$ 8,435.81	\$ 1,278,238.00	\$ 5,325.99	\$ 3,109.81	\$ 1,275,128.19
2	8,435.81	1,275,128.19	5,313.03	3,122.77	1,272,005.42
3	8,435.81	1,272,005.42	5,300.02	3,135.78	1,268,869.63
4	8,435.81	1,268,869.63	5,286.96	3,148.85	1,265,720.78
5	8,435.81	1,265,720.78	5,273.84	3,161.97	1,262,558.82
6	8,435.81	1,262,558.82	5,260.66	3,175.14	1,259,383.67
7	8,435.81	1,259,383.67	5,247.43	3,188.37	1,256,195.30
8	8,435.81	1,256,195.30	5,234.15	3,201.66	1,252,993.64
9	8,435.81	1,252,993.64	5,220.81	3,215.00	1,249,778.64
10	8,435.81	1,249,778.64	5,207.41	3,228.39	1,246,550.25
11	8,435.81	1,246,550.25	5,193.96	3,241.85	1,243,308.40
12	8,435.81	1,243,308.40	5,180.45	3,255.35	1,240,053.05
TOTALS	\$ 101,229.66		\$ 63,044.71	\$ 38,184.95	

Valle Verde Water Company
Test Year Ended December 31, 2008

Final Schedule C-2c
Title: Income Statement Proforma
Adjustments

Explanation:

Schedule detailing the calculations for proforma Adjustment H to the projected year income statement.

General Ledger Details of Purchased Water Expense

Type	Date	Num	Vendor	Amount	Balance
Check	02/16/2007	26749	Waters of Rio Rico	\$ 310.80	\$ 310.80
Check	03/02/2007	26787	City of Nogales	13,598.55	13,909.35
Check	03/16/2007	26812	Waters of Rio Rico	221.15	14,130.50
Check	04/06/2007	26844	City of Nogales	14,554.65	28,685.15
Check	04/13/2007	26859	Waters of Rio Rico	11.90	28,697.05
Check	05/10/2007	26908	Waters of Rio Rico	17.85	28,714.90
Check	05/10/2007	26916	City of Nogales	12,886.93	41,601.83
Check	07/18/2007	27048	Waters of Rio Rico	1,183.05	42,784.88
Check	07/23/2007	27058	City of Nogales	10,000.00	52,784.88
Bill	08/05/2007		Waters of Rio Rico	882.20	53,667.08
Bill	09/05/2007		Waters of Rio Rico	937.35	54,604.43
Bill	09/17/2007	9/10 & 9/17/07	City of Nogales	5,110.96	59,715.39
Bill	09/17/2007	9/10 & 9/17/07	City of Nogales	5,440.39	65,155.78
Bill	09/24/2007	09/24/07	City of Nogales	5,407.50	70,563.28
Bill	10/05/2007		Waters of Rio Rico	101.15	70,664.43
Bill	10/07/2007	10/01/07	City of Nogales	5,252.42	75,916.85
Bill	10/08/2007	10/08/07	City of Nogales	5,080.12	80,996.97
Bill	10/15/2007	10/15/07	City of Nogales	5,045.97	86,042.94
Bill	10/22/2007	10/22/07	City of Nogales	5,017.63	91,060.57
Bill	10/31/2007	10/29/07	City of Nogales	4,892.14	95,952.71
Bill	10/31/2007	005031	Waters of Rio Rico	119.00	96,071.71
Bill	11/05/2007	11/05/07	City of Nogales	4,840.53	100,912.24
Bill	11/13/2007	11/13/07	City of Nogales	5,553.28	106,465.52
Bill	11/19/2007	11/19/07	City of Nogales	4,284.13	110,749.65
Bill	11/26/2007	11/26/07	City of Nogales	5,623.82	116,373.47
Bill	12/15/2007	12/17/07	City of Nogales	4,558.18	120,931.65
Bill	12/17/2007	12/10/07	City of Nogales	8,664.76	129,596.41
Bill	12/21/2007	005031	Waters of Rio Rico	29.75	129,626.16
Bill	12/26/2007	12/24/07	City of Nogales	4,435.48	134,061.64
Bill	12/31/2007	34-0365-00	City of Nogales	4,394.49	138,456.13
Bill	01/09/2008	34-0365-00	City of Nogales	4,764.12	143,220.25
Bill	01/15/2008	34-0365-00	City of Nogales	5,042.93	148,263.18
Bill	01/22/2008	Purchased Water	City of Nogales	6,210.33	154,473.51
Bill	01/31/2008	005031	Waters of Rio Rico	93.15	154,566.66
Bill	02/06/2008	34-0365-00	City of Nogales	4,386.84	158,953.50
Bill	02/06/2008	34-0365-00	City of Nogales	3,960.09	162,913.59
Bill	02/13/2008	34-0365-00	City of Nogales	4,731.99	167,645.58
Bill	02/25/2008	34-0365-00	City of Nogales	5,015.85	172,661.43
Bill	02/26/2008	34-0365-00	City of Nogales	4,975.94	177,637.37
Bill	02/28/2008	34-0365-00	City of Nogales	4,088.30	181,725.67
Bill	03/10/2008	34-0365-00	City of Nogales	4,531.36	186,257.03
Bill	03/25/2008	34-0365-00	City of Nogales	3,981.34	190,238.37
Bill	03/25/2008	34-0365-00	City of Nogales	5,287.84	195,526.21
Bill	04/02/2008	34-0365-00	City of Nogales	4,389.69	199,915.90
Bill	04/07/2008	34-0365-00	City of Nogales	4,056.74	203,972.64
Bill	04/15/2008	34-0365-00	City of Nogales	4,331.75	208,304.39

Valle Verde Water Company
Test Year Ended December 31, 2008

Final Schedule C-2c
Title: Income Statement Proforma
Adjustments

Bill	04/23/2008	34-0365-00	City of Nogales	4,225.74	212,530.13
Bill	04/23/2008	34-0365-00	City of Nogales	4,318.08	216,848.21
Bill	05/12/2008	34-0365-00	City of Nogales	4,239.40	221,087.61
Bill	05/13/2008	34-0365-00	City of Nogales	4,252.05	225,339.66
Bill	05/19/2008	34-0365-00	City of Nogales	4,623.96	229,963.62
Bill	05/27/2008	34-0365-00	City of Nogales	5,538.61	235,502.23
Bill	06/10/2008	34-0365-00	City of Nogales	5,070.00	240,572.23
Bill	06/10/2008	34-0365-00	City of Nogales	4,304.37	244,876.60
Bill	06/16/2008	34-0365-00	City of Nogales	5,501.36	250,377.96
Bill	06/23/2008	34-0365-00	City of Nogales	5,626.60	256,004.56
Bill	07/14/2008	34-0365-00	City of Nogales	5,350.57	261,355.13
Bill	07/29/2008	34-0365-00	City of Nogales	4,642.43	265,997.56
Bill	07/29/2008	34-0365-00	City of Nogales	4,764.63	270,762.19
Bill	08/05/2008	34-0365-00	City of Nogales	4,116.44	274,878.63
Bill	08/07/2008	34-0365-00	City of Nogales	4,277.85	279,156.48
Bill	08/25/2008	34-0365-00	City of Nogales	4,375.77	283,532.25
Bill	08/25/2008	34-0365-00	City of Nogales	3,395.39	286,927.64
Bill	08/26/2008	34-0365-00	City of Nogales	4,162.61	291,090.25
Bill	08/29/2008		City of Nogales	822.18	291,912.43
Bill	09/09/2008	34-0365-00	City of Nogales	3,390.14	295,302.57
Bill	09/11/2008	34-0365-00	City of Nogales	2,707.68	298,010.25
Bill	09/25/2008	34-0365-00	City of Nogales	3,482.42	301,492.67
Bill	09/25/2008		City of Nogales	579.08	302,071.75
Bill	09/29/2008	34-0365-00	City of Nogales	2,803.88	304,875.63
Bill	10/15/2008	34-0365-00	City of Nogales	3,332.14	308,207.77
Bill	10/15/2008	34-0365-00	City of Nogales	3,718.98	311,926.75
Bill	10/22/2008	34-0365-00	City of Nogales	3,433.85	315,360.60
Bill	10/28/2008	34-0365-00	City of Nogales	2,620.96	317,981.56
Bill	11/03/2008	34-0365-00	City of Nogales	2,977.94	320,959.50
Bill	11/04/2008	34-0365-00	City of Nogales	3,459.15	324,418.65
Bill	11/19/2008	34-0365-00	City of Nogales	592.15	325,010.80
Bill	12/08/2008	34-0365-00	City of Nogales	603.79	325,614.59

Total Purchased Water during 2007 and 2008 service outages \$ 325,614.59
Amount paid to date (229,906.75)
Balance due City of Nogales as of 05/21/10 \$ 95,707.84

Actual gallons sold during Test Year 106,621,330
Monthly Average Gallons 8,885,111
Estimated gallons sold during proposed 18 month recovery period 159,931,995
Rate divisor 1,000
1000's of projected gallons sold during recovery period 159,932
Proposed temporary commodity surcharge per 1,000 gallons \$ 0.60

First year recovery amount \$ 63,805.23
Second year recovery amount \$ 31,902.61
Average monthly surcharge amount \$ 5,317.10
Monthly recovery from average residential user @ 7,790 gallons \$ 4.66

Supporting Schedules:

Recap Schedules:
C-1, C-2

Valle Verde Water Company
 Test Year Ended December 31, 2008

Final Schedule C-3
Title: Computation of Gross Revenue
Conversion Factor

Explanation:
 Schedule showing incremental taxes on gross revenues and
 the development of a gross revenue conversion factor.

Required for:	All Utilities	<input checked="checked" type="checkbox"/>
	Class A	<input type="checkbox"/>
	Class B	<input type="checkbox"/>
	Class C	<input type="checkbox"/>
	Class D	<input type="checkbox"/>
	Spec'l Reqmt	<input type="checkbox"/>

Description	Percentage of Incremental Gross Revenues
Federal Income Taxes	\$ -
State Income Taxes	-
Other Taxes and Expenses:	
Payroll Taxes	
Property Taxes	
Total Tax Percentage	<u>0.00%</u>
Operating Income % = 100% - Tax Percentage	100.00%
Gross Revenue Conversion Factor = 1/Operating Income %	1.0000

Note: All tax percentages shall include the effect of other taxes upon the incremental rate. The applicant may use other formulas in developing the conversion factor.

Supporting Schedules:

Recap Schedules:
 (a) A-1

Valle Verde Water Company
Test Year Ended December 31, 2008

Final Schedule D-1
Title: Summary Cost of Capital

Explanation:
Schedule showing elements of capital structure
and the related cost.

Required for:	All Utilities	<input checked="" type="checkbox"/>
	Class A	<input type="checkbox"/>
	Class B	<input type="checkbox"/>
	Class C	<input type="checkbox"/>
	Class D	<input type="checkbox"/>
	Speci Reqmt	<input type="checkbox"/>

Invested Capital	End of Test Year					End of Projected Year			
	Amount	%	Cost Rate (e)	Composite Cost %		Amount	%	Cost Rate (e)	Composite Cost %
Long-Term Debt (a)	\$ 12,463	100%	10%	10%		\$ 1,290,701	100%	5.00%	5.00%
Short-Term Debt (a)	-	0%	0%	0%		-	0%	0%	0.00%
Common Equity (c)	(693,213)	0%	10%	0%		(1,048,687)	0%	10%	0.00%
Total†	\$ 12,463					\$ 1,290,701			5.00%

†Note: Negative equity is assumed to be zero for these calculations.

Supporting Schedules:

- (a) D-2
- (b) D-3
- (c) D-4
- (d) E-1

Recap Schedules:

- (e) A-3

Valle Verde Water Company
Test Year Ended December 31, 2008

Final Schedule E-1
Title: Comparative Balance Sheet

Explanation:
Schedule showing comparative balance sheets at the end of the test year and the 2 fiscal years ended prior to the test year.

Required for: All Utilities ☒
Class A ☐
Class B ☐
Class C ☐
Class D ☐
Specd Reqmt ☐

	Test Year At 31-Dec-08	Prior Year 31-Dec-07	Prior Year 31-Dec-06
ASSETS			
Property, Plant & Equipment: (a)			
101 Utility Plant In Service	\$ 2,863,390	\$ 2,411,779	\$ 2,392,226
105 Construction Work in Process		49,289	
108 Accumulated Depreciation	(1,460,213)	(1,332,872)	(1,217,309)
Total Property Plant & Equipment	\$ 1,403,177	\$ 1,128,196	\$ 1,174,917
Current Assts:			
131 Cash	\$ 50,714	\$ 6,435	\$ 31,609
141 Customer Accounts Receivable	112,060	47,489	37,478
174 Miscellaneous Current and Accrued Assets	-	50	3,517
Total Current Assets	\$ 162,774	\$ 53,974	\$ 72,604
TOTAL ASSETS	\$ 1,565,951	\$ 1,182,170	\$ 1,247,521
LIABILITIES and STOCKHOLDERS' EQUITY			
Capitalization: (b)			
218 Proprietary Capital	\$ (792,552)	\$ (532,179)	\$ (352,669)
Current Liabilities:			
231 Accounts Payable	\$ 294,938	\$ 172,487	\$ -
235 Customer Deposits	27,692	21,541	40,350
236 Accrued Taxes	4,102	3,091	1,421
Total Current Liabilities	\$ 326,732	\$ 197,119	\$ 41,771
224 Long-Term Debt (Over 12 Months)	\$ 12,463	\$ -	\$ -
Deferred Credits:			
252 Advances In Aid Of Construction	\$ 1,517,230	\$ 1,517,230	\$ 1,479,167
271 Contributions In Aid Of Construction	508,922	-	137,593
272 Less: Amortization of Contributions	(6,844)	-	(58,341)
Total Deferred Credits	\$ 2,019,308	\$ 1,517,230	\$ 1,558,419
Total Liabilities	\$ 2,358,503	\$ 1,714,349	\$ 1,600,190
TOTAL LIABILITIES and STOCKHOLDERS' EQUITY	\$ 1,565,951	\$ 1,182,170	\$ 1,247,521
Supporting Schedules:	Recap Schedules:		
(a) E-5	(b) A-3		

Valle Verde Water Company
Test Year Ended December 31, 2008

Final Schedule E-2
Title: Comparative Income
Statements

Explanation:
Schedule showing comparative income statements for the test year and the 2 fiscal years ended prior to the test year.

Required for: All Utilities ☒
Class A ☐
Class B ☐
Class C ☐
Class D ☐
Spec'l Reqmt ☐

	Test Year Ended 31-Dec-08	Prior Year Ended 31-Dec-07	Prior Year Ended 31-Dec-06
Revenues: (a)			
461 Metered Water Revenue	\$ 271,118	\$ 286,513	\$ 240,510
461 Surcharge Revenue	166,270	-	-
474 Other Water Revenue	6,033	9,042	15,696
Total Revenues	<u>\$ 443,420</u>	<u>\$ 295,555</u>	<u>\$ 256,206</u>
Operating Expenses (a)			
601 Salaries & Wages	\$ 71,814	\$ 82,841	\$ 93,653
610 Purchased Water	187,158	138,456	2,211
615 Purchased Power	38,214	11,589	36,789
618 Chemicals	919	695	1,248
620 Repairs and Maintenance	58,561	6,750	9,462
621 Office Supplies and Expense	18,166	37,066	17,830
630 Outside Services	152,005	80,993	23,369
635 Water Testing	10,447	13,346	10,495
641 Rents	-	-	2,380
650 Transportation Expense	10,277	15,120	17,247
657 Insurance - General liability	10,940	2,098	9,454
659 Insurance - Health and Life	-	1,812	-
666 Regulatory Commission Expense - Rate Case	-	-	-
675 Miscellaneous Expense	1,056	6,508	-
403 Depreciation Expense	127,449	115,563	114,944
408 Taxes Other Than Income	8,503	8,824	9,955
408 Property Taxes	14,129	15,718	14,831
409 Income Tax	-	-	-
Total Operating Expenses	<u>\$ 709,638</u>	<u>\$ 537,379</u>	<u>\$ 363,868</u>
OPERATING INCOME/(LOSS)	<u>\$ (266,218)</u>	<u>\$ (241,824)</u>	<u>\$ (107,662)</u>
Other Income/(Expense)			
419 Interest and Dividend Income			
421 Non-Utility Income	\$ -	\$ 1,227	\$ -
427 Interest Expense	(1,184)	-	-
Total Other Income/(Expense)	<u>\$ (1,184)</u>	<u>\$ 1,227</u>	<u>\$ -</u>
NET INCOME/(LOSS)	<u>\$ (267,402)</u>	<u>\$ (240,597)</u>	<u>\$ (107,662)</u>

Supporting Schedules:
(a) E-6

Recap Schedules:
A-2

Valle Verde Water Company
Test Year Ended December 31, 2008

Final Schedule E-5
Title: Detail of Utility Plant

Explanation:
Schedule showing utility plant balance, by detailed account number, at the end of the test year and the end of the prior fiscal year.

Required for:	All Utilities	<input checked="checked" type="checkbox"/>
	Class A	<input type="checkbox"/>
	Class B	<input type="checkbox"/>
	Class C	<input type="checkbox"/>
	Class D	<input type="checkbox"/>
	Spec'l Reqmt	<input type="checkbox"/>

Account Number	Description	End of Prior Year at 31-Dec-07	Net Additions	End of Test Year at 31-Dec-08
302	Franchises	\$ 125	\$ -	\$ 125
303	Land & Land Rights	86,093	-	86,093
304	Structures & Improvements	500,114	3,200	503,314
307	Wells & Springs	145,786	413,385	559,171
311	Pumping Equipment	289,845	3,031	292,876
320	Water Treatment Equipment	-	-	-
320.1	Water Treatment Plants	11,159	-	11,159
320.2	Solution Chemical Feeders	345	-	345
330	Distribution Reservoirs & Standpipes	-	-	-
330.1	Storage Tanks	285,179	692	285,871
330.2	Pressure Tanks.	80,630	-	80,630
331	Transmission & Distribution Mains	569,390	10,339	579,729
333	Services	50,719	389	51,108
334	Meters & Meter Installations	88,008	5,694	93,702
335	Hydrants	35,007	-	35,007
339	Other Plant and Misc Equipment	-	-	-
340	Office Furniture & Equipment	16,552	-	16,552
340.1	Computers and Software	-	-	-
341	Transportation Equipment	56,483	14,881	71,364
343	Tools, Shop, and Garage Equipment	11,729	-	11,729
345	Power Operated Equipment	44,869	-	44,869
348	Other Tangible Plant	139,746	-	139,746
Total Plant In Service		\$ 2,411,779	\$ 451,611	\$ 2,863,390
Accumulated Depreciation		1,332,872	127,342	1,460,213
Net Plant In Service		\$ 1,078,907	\$ 324,270	\$ 1,403,177
Construction Work in Process		49,289		
Total Net Plant		\$ 1,128,196	\$ 324,270	\$ 1,403,177

Supporting Schedules:

Recap Schedules:
E-1 A-4

Valle Verde Water Company
Test Year Ended December 31, 2008

Final Schedule E-7
Title: Operating Statistics

Explanation:
Schedule showing key operating statistics in comparative format,
for the test year and the 2 fiscal years ended prior to the test year.

Required for: All Utilities	<input checked="" type="checkbox"/>
Class A	<input type="checkbox"/>
Class B	<input type="checkbox"/>
Class C	<input type="checkbox"/>
Class D	<input type="checkbox"/>
Speci Reqmt	<input type="checkbox"/>

	Test Year Ended 31-Dec-08	Prior Year Ended 31-Dec-07	Prior Year Ended 31-Dec-06
Water Statistics:			
Gallons Sold - By Class of Service:			
Residential	68,704,160	69,838,190	102,397,000
Commercial	37,917,170	37,698,810	*
Average Number of Customers - By Class of Service:			
Residential	735	731	848
Commercial	92	98	*
Average Annual Gallons Per Residential Customer	93,475	95,538	120,751
Average Annual Revenue Per Residential Customer	\$ 409.53	\$ 415.78	\$ 492.18
Pumping Cost Per 1,000 Gallons	\$ 0.8061	\$ 0.1392	\$ 0.2934

* Data available from company does not differentiate between Class of Service for 2006, commercial amounts are included with residential amounts.

Valle Verde Water Company
 Test Year Ended December 31, 2008

Final Schedule E-8
Title: Taxes Charged to
Operations

Explanation:
 Schedule showing all significant taxes charged to operations for
 the test year and the 2 fiscal years ended prior to the test year.

Required for: All Utilities ☒
 Class A ☐
 Class B ☐
 Class C ☐
 Class D ☐
 Specl Reqmt ☐

Description	Test Year Ended 31-Dec-08	Prior Year Ended 31-Dec-07	Prior Year Ended 31-Dec-06
Federal Taxes:			
Income	\$ -	\$ -	\$ -
Payroll	6,091	6,835	7,741
Total Federal Taxes	\$ 6,091	\$ 6,835	\$ 7,741
State Taxes:			
Income	\$ -	\$ -	\$ -
Payroll	2,037	1,989	2,214
Total State Taxes	\$ 2,037	\$ 1,989	\$ 2,214
Local Taxes:			
Property	\$ 14,129	\$ 15,718	\$ 14,831
Total Taxes	\$ 22,257	\$ 24,542	\$ 24,786

NOTE: For combination utilities, the above should be presented in total and by department.

Supporting Schedules:

Recap Schedules:

Valle Verde Water Company
Test Year Ended December 31, 2008

Final Schedule E-9
Title: Notes to Financial
Statements

Explanation:
Disclosure of important facts pertaining to the understanding
of the financial statements.

Required for: All Utilities
Class A
Class B
Class C
Class D
Speci Reqmt

X

Disclosures should include, but not be limited to the following:

1 Accounting Method.

The books of Valle Verde are kept as accrual based, and also follow NARUC rules, including the USoA.

2 Depreciation lives and methods employed by major classification of utility property.

For years up to and including the test year 2008, depreciation rates as authorized in Decision 59553 were 5% for all plant asset categories. Proposed depreciation rates are depicted on the plant schedule as part of the financing application. These rates were taken from ACC Engineering Staff Memo regarding their recommended rates for depreciation dated April 21, 2000, and revised March 1, 2001.

3 Income tax treatment - normalization or flow through.

Valle Verde Water is currently part of the Estate of William F. Randall. Prior to Mr. Randall's passing, the utility was operated as a sole proprietor, and as a result, is now part of his estate. Income taxes for Valle Verde flow through to the income tax return of the estate, Form 1041, and as such, income taxes are not part of this case.

4 Interest rate used to charge interest during construction, if applicable.

Not Applicable.

Supporting Schedules:

Recap Schedules:

Valle Verde Water Company
Test Year Ended December 31, 2008

Final Schedule F-1
Title: Projected Income Statements
Present and Proposed Rates

Explanation:
Schedule showing an income statement for the projected year,
compared with actual test year results, at present and proposed
rates.

Required for: All Utilities ☒
Class A ☐
Class B ☐
Class C ☐
Class D ☐
Spec'l Reqmt ☐

	Projected Year		
	Actual	At Present	At Proposed
	Test Year	Rates	Rates
	Ended (a)	Year Ended (b)	Year Ended (b)
	31-Dec-08	31-Dec-09	31-Dec-09
Operating Revenues:			
461 Metered Water Revenue	\$ 271,118	\$ 271,118	\$ 665,571
461 Surcharge Revenue	166,270	-	-
474 Other Water Revenue	6,033	6,033	6,033
Total Operating Revenue	\$ 443,420	\$ 277,151	\$ 671,604
Operating Expenses:			
601 Salaries & Wages	\$ 71,814	\$ 71,814	\$ 71,814
610 Purchased Water	187,158	-	-
615 Purchased Power	38,214	38,214	38,214
618 Chemicals	919	919	919
620 Repairs & Maintenance	58,561	58,561	58,561
621 Office Supplies and Expense	18,166	18,166	18,166
630 Outside Services	152,005	152,005	152,005
635 Water Testing	10,447	10,447	10,447
641 Rental Expense	-	-	-
650 Transportation Expense	10,277	10,277	10,277
657 Insurance - General Liability	10,940	10,940	10,940
659 Insurance - Health and Life	-	-	-
666 Rate Case Expense	-	8,333	8,333
675 Miscellaneous Expense	1,056	1,056	1,056
403 Depreciation & Amortization	127,449	122,952	122,952
408 Property Taxes	14,129	14,129	14,129
408.1 Taxes Other Than Income	8,503	8,503	8,503
409 Income Taxes	-	-	-
Total Operating Expenses	\$ 709,638	\$ 526,317	\$ 526,317
OPERATING INCOME/(LOSS)	\$ (266,218)	\$ (249,166)	\$ 145,287
Other Income/(Expense):			
419 Interest Income	\$ -	\$ -	\$ -
427 Interest Expense	(1,184)	(64,229)	(64,229)
Total Other Income/(Expense)	\$ (1,184)	\$ (64,229)	\$ (64,229)
NET INCOME/(LOSS)	\$ (267,402)	\$ (313,395)	\$ 81,058
Earnings per share of average Common Stock Outstanding	N/A	N/A	N/A
% Return on Common Equity	double negative, not meaningful		
Supporting Schedules:	Recap Schedules:		
(a) E-2	(b) A-2		

Valle Verde Water Company

Test Year Ended December 31, 2008

Final Schedule F-3**Title: Projected Construction
Requirements****Explanation:**

Schedule showing projected annual construction requirements, by property classification, for 1 to 3 years subsequent to the test year compared with the test year.

Required for: All Utilities
Class A
Class B
Class C
Class D
Spec'l Reqmt

X

Property Classification	Actual		Projected	
	Test Year		Year	
	Ended		Ended	
	12/31/2008		12/31/2009	
Production Plant	\$	419,616	\$	62,195
Transmission Plant		10,339		182,536
Total Plant	\$	429,955	\$	244,731

NOTE: For combination utilities, the above should be presented by department.

Supporting Schedules:

Recap Schedules:
(a) F-2 & A-4

Valle Verde Water Company
Test Year Ended December 31, 2008

Final Schedule F-4
Title: Assumptions Used in
Developing Projection

Explanation:
Documentation of important assumptions used in preparing
forecasts and projections

Required for:	All Utilities	<input checked="" type="checkbox"/>
	Class A	<input type="checkbox"/>
	Class B	<input type="checkbox"/>
	Class C	<input type="checkbox"/>
	Class D	<input type="checkbox"/>
	Spec'l Reqmt	<input type="checkbox"/>

Important assumptions used in preparing projections should be explained.

Areas covered should include:

1 Customer growth

Customer levels were flat in 2008, and that is not expected to change.

2 Growth in consumption and customer demand

No changes are anticipated.

3 Changes in expenses

The company believes the test year 2008, with the limited proforma adjustments included in this application, accurately depict expense levels going forward.

4 Construction requirements including production reserves and changes in plant capacity

Proceeds of the WIFA loan will be used to remove and replace undersized mains, interconnect wells 4 & 2, install a PRV station, install arsenic treatment equipment, replace and/or relocate other mains and lines, and install a 175k gallons storage tank.

5 Capital structure changes

No changes to equity are anticipated; debt will increase if the WIFA loan is approved.

6 Financing costs, interest rates

Currently, a company vehicle is financed at 10% interest. Valle Verde is also requesting a WIFA loan for plant upgrades and arsenic treatment equipment. Terms of the loan are unknown at this point, but for purposes of this application, a 5% interest rate and a term of 20 years was used on the revised loan amount of \$1,278,238.

Supporting Schedules:

Recap Schedules:

EXHIBIT 2

Valle Verde Water Company
Detail of Test Year Actual Property Tax Expense

Date	Parcel No.	Vendor	Description	Amount
03-Nov-08	113-42-010	Treasurer of Santa Cruz	1st half 2008	\$ 264.36
27-Feb-08	113-42-013	Treasurer of Santa Cruz	2nd half 2007	411.40
28-Oct-08	113-42-013	Treasurer of Santa Cruz	1st half 2008	443.13
28-Oct-08	113-43-017	Treasurer of Santa Cruz	entire year	63.00
27-Feb-08	928-30-101	Treasurer of Santa Cruz	2nd half 2007	1,726.60
03-Nov-08	928-30-101	Treasurer of Santa Cruz	1st half 2008	1,642.17
27-Feb-08	928-30-150	Treasurer of Santa Cruz	2nd half 2007	5,085.85
03-Nov-08	928-30-150	Treasurer of Santa Cruz	1st half 2008	4,492.63

Test Year Property Tax Expense \$ 14,129.14

PARCEL #	AREA CODE	PRIMARY TAX RATE PER \$100 ASSESSED VALUE	SECONDARY TAX RATE PER \$100 ASSESSED VALUE	IRRIGATION DISTRICT \$ PER ACRE	2008 TAX SUMMARY	
113-42-010 0	3502	8.2171	5.1865		PRIMARY PROPERTY TAX	323.26
ASSESSMENT					LESS STATE AND LOCAL EXEMPTION	0.00
LIMITED LAND, BLDGS, ETC	24,588	16.0	3,934	0	NET PRIMARY PROPERTY TAX	323.26
LIMITED PERSONAL PROPERTY	0	0.0	0	0	SECONDARY PROPERTY TAX	205.46
LIMITED TOTALS	24,588		3,934	0	SPECIAL DISTRICT TAX	0.00
FULL CASH LAND	25,000	16.0	4,000	0	TOTAL TAX DUE FOR 2008	528.72
FULL CASH BLDGS, ETC	0	0.0	0	0		
FULL CASH PERSONAL PROPERTY	0	0.0	0	0		
FULL CASH TOTALS	25,000		4,000	0		
ACREAGE: .00					JURISDICTION	
0015360					2007 TAXES	2008 TAXES
SITUS ADDRESS:					125.40	118.59
					269.38	265.11
LEGAL DESCRIPTION:					109.94	116.91
THAT PT OF LAND IN THE NE4 NE4 NE4 NW4 OF SEC 24					4.00	4.00
T23S R19E					24.46	24.11
					TOTALS	533.18 528.72

This is the only notice you will receive.

Caesar Ramirez
Santa Cruz County Treasurer
2150 N Congress Dr
Nogales AZ 85621-1091

**THIS IS A
CALENDAR YEAR
TAX NOTICE**

113-42-010 0

0004927 01 AV 0.324 **AUTO T5 0 0794 85621-986012

PAGE 0001 OF 0001 00005114

113-42-010 0

VALLE VERDE WATER COMPANY
12 GARDEN VIEW DRIVE
NOGALES AZ 85621-9860

PAYMENT INSTRUCTIONS

To pay the 1st half installment and full year tax notices of \$100 or less, send the 1st half coupon with your payment postmarked no later than Nov. 3, 2008. To pay the 2nd half installment, send the 2nd half coupon with your payment postmarked no later than May 1, 2009. To pay taxes for the full year if the entire amount billed per notice exceeds \$100, send the 1st half coupon with your payment postmarked no later than Dec. 31, 2008 and no interest will be charged for current year.

Make your check payable to and mail to:

Caesar Ramirez
Santa Cruz County Treasurer
2150 N Congress Dr
Nogales AZ 85621-1091

PLEASE INCLUDE YOUR

PARCEL NUMBER
ON YOUR CHECK.

THERE WILL BE A CHARGE FOR EACH RETURNED CHECK
AND YOUR TAXES WILL REVERT TO AN UNPAID STATUS.

VALLE VERDE WATER CO.

1843

Caesar Ramirez

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
11/3/2008	Bill	928-30-101	1,642.17	1,642.17		1,642.17
11/3/2008	Bill	928-30-150	4,492.63	4,492.63		4,492.63
11/3/2008	Bill	113-42-010	264.36	264.36		264.36
				Check Amount		6,399.16

Wells Fargo Bank

6,399.16

2008 PROPERTY TAX NOTICE

PARCEL #	AREA CODE	PRIMARY TAX RATE PER \$100 ASSESSED VALUE	SECONDARY TAX RATE PER \$100 ASSESSED VALUE	IMPROVEMENT DISTRICT \$ PER ADD	2008 TAX SUMMARY	
113-42-013 9	0102	6.8442	6.2829		PRIMARY PROPERTY TAX	498.03
ASSESSMENT					LESS STATE AND EDUCATION	105.90
LIMITED LAND, BLOOD, ETC	5,203	10.0	520	0	NET PRIMARY PROPERTY TAX	392.13
LIMITED PERSONAL PROPERTY	0	0.0	0	0	SECONDARY PROPERTY TAX	494.13
LIMITED TOTALS	5,203		520	0	SPECIAL DISTRICT TAX	0.00
FULL CASH LAND	5,624	10.0	562	0	TOTAL TAX DUE FOR 2008	886.26
FULL CASH BUILDINGS, ETC	73,030	10.0	7,303	0		
FULL CASH PERSONAL PROPERTY	0	0.0	0	0		
FULL CASH TOTALS	78,654		7,865	0		
ACREAGE:		.00	JURISDICTION		2007 TAXES	2008 TAXES

0015364

SITUS ADDRESS:

LEGAL DESCRIPTION:
FIRESTONE GARDENS LOT 3

02000 SANTA CRUZ COUNTY
07001 NOGALES SD #1
11203 RIO RICO FD
11900 FIRE DISTRICT ASSIST
15001 SANTA CRUZ COUNTY FC

210.43
379.48
185.00
6.73
41.16
219.34
381.77
229.88
7.86
47.41

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Caesar Ramirez
Santa Cruz County Treasurer
2150 N Congress Dr
Nogales AZ 85621-1091

THIS IS A CALENDAR YEAR TAX NOTICE

TOTALS

822.80 886.26

113-42-013 9

0018036 01 AT 0.346 **AUTO T1 2 0784 85754-518060

PAGE 0001 OF 0001 00020631

113-42-013 9

RANDALL WILLIAM & CATALINA S
RANDALL WILLIAM & CATALINA S
P O BOX 85160
TUCSON AZ 85754-5180

THERE WILL BE A CHARGE FOR EACH RETURNED CHECK
AND YOUR TAXES WILL REVERT TO AN UNPAID STATUS.

PLEASE INCLUDE YOUR
PARCEL NUMBER
ON YOUR CHECK.

PAYMENT INSTRUCTIONS

To pay the 1st half installment and full year tax notices of \$100 or less, send the 1st half coupon with your payment postmarked no later than Nov. 3, 2008. To pay the 2nd half installment, send the 2nd half coupon with your payment postmarked no later than May 1, 2009. To pay taxes for the full year if the entire amount billed per notice exceeds \$100, send the 1st half coupon with your payment postmarked no later than Dec. 31, 2008 and no interest will be charged for current year.

Make your check payable to and mail to:
Caesar Ramirez
Santa Cruz County Treasurer
2150 N Congress Dr
Nogales AZ 85621-1091

pd 2/27/08
\$411.40
ck 1339

pd 10/29/08
ck 1825
\$443.13

***PLEASE DO NOT USE THIS COUPON**

**PLEASE MAKE YOUR SINGLE PAYMENT
AS NOTED ON COUPON 1**

If your mortgage company makes your property
tax payments consider this notice as a courtesy
copy for your records only.

Parcel Number: 113-43-017 4 Roll Number: 0015409
Due March 1, 2009
2008 SECOND HALF PAYMENT COUPON
Deficiency Date Second Half Payment
Penalty for late payment is 16% per year
prorated monthly as of the 1st day of the
month for payments postmarked after 5:00
P.M. May 1, 2009 (ARS 42-18052 and ARS
42-18053).

TO PAY 2ND HALF

Parcel Number: 113-43-017 4 Roll Number: 0015409

Due March 1, 2009

2008 SECOND HALF PAYMENT COUPON

Make check payable to: OFFICIAL AND RETURN WITH COUPON

2008 PROPERTY TAX NOTICE							ARIZONA	
PARCEL #	AREA CODE	PRIMARY TAX RATE PER \$100 ASSESSED VALUE	SECONDARY TAX RATE PER \$100 ASSESSED VALUE	IRRIGATION DISTRICT	2008 TAX SUMMARY			
113-43-017 4	0102	6.8438	6.2813					
ASSESSMENT								
LIMITED LAND, BLDGS, ETC	3,000	16.0	480	0	5.8438	32.85	32.85	
LIMITED PERSONAL PROPERTY	0	0.0	0	0	0.0000	0.00	0.00	
LIMITED TOTALS	3,000		480	0		32.85	32.85	
FULL CASH LAND	3,000	16.0	480	0	6.2813	30.15	30.15	
FULL CASH BUILDINGS, ETC	0	0.0	0	0	0.0000	0.00	0.00	
FULL CASH PERSONAL PROPERTY	0	0.0	0	0	0.0000	0.00	0.00	
FULL CASH TOTALS	3,000		480	0		30.15	30.15	
ACREAGE: .00					JURISDICTION			
0015409					2007 TAXES			
SITUS ADDRESS:					2008 TAXES			
					02000 SANTA CRUZ COUNTY 15.27 14.47			
					07001 NOGALES SD #1 35.32 31.13			
					11203 RIO RICO FD 13.19 14.03			
					11900 FIRE DISTRICT ASSIST 0.48 0.48			
					15001 SANTA CRUZ COUNTY FC 2.94 2.89			
LEGAL DESCRIPTION:					TOTAL TAX DUE FOR 2008 63.00			
WATER PLANT PARCEL (30040 SF); WELLS #5 (7200 SF);								
WELL #5 (6401 SF) IN SEC 25 T23S R13E								

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Caesar Ramirez
Santa Cruz County Treasurer
2150 N Congress Dr
Nogales AZ 85621-1091

THIS IS A
CALENDAR YEAR
TAX NOTICE

TOTALS 67.20 63.00

113-43-017 4
0018040 01 AT 0.346 **AUTO T1 2 0794 85754-516060 PAGE 0001 OF 0001 00020635
VALLE VERDE WATER COMPANY
RANDALL WILLIAM F
P O BOX 85160
TUCSON AZ 85754-5160

PAYMENT INSTRUCTIONS

To pay the 1st half installment and full year tax notices of \$100 or less, send the 1st half coupon with your payment postmarked no later than Nov. 3, 2008. To pay the 2nd half installment, send the 2nd half coupon with your payment postmarked no later than May 1, 2009. To pay taxes for the full year if the entire amount billed per notice exceeds \$100, send the 1st half coupon with your payment postmarked no later than Dec. 31, 2008 and no interest will be charged for current year.

Make your check payable to and mail to:

Caesar Ramirez
Santa Cruz County Treasurer
2150 N Congress Dr
Nogales AZ 85621-1091

THERE WILL BE A CHARGE FOR EACH RETURNED CHECK
AND YOUR TAXES WILL REVERT TO AN UNPAID STATUS.

PLEASE INCLUDE YOUR
PARCEL NUMBER
ON YOUR CHECK.

THE OFFICIAL AND RETURN WITH COUPON


PARCEL #	AREA CODE	PRIMARY TAX RATE PER \$100 ASSESSED VALUE	SECONDARY TAX RATE PER \$100 ASSESSED VALUE	ORIGINATION DISTRICT	2008 TAX SUMMARY	
928-30-101 6	0101	6.8444	6.6111		PROPERTY TAX	1,670.73
ASSESSMENT					LESS STATE AND LOCAL EDUCATION	0.00
IMPROVED LAND, BLDGS, ETC.	784	23.0	180	0	6.8444	12.32
UNIMPROVED PERSONAL PROPERTY	0	0.0	0	0	0.0000	0.00
UNIMPROVED TOTALS	784		180	0	12.32	1,670.73
FULL CASH LAND	0	0.0	180	0	6.6111	11.90
FULL CASH BLDGS, ETC.	0	0.0	532	0	6.6090	35.16
FULL CASH PERSONAL PROPERTY	0	0.0	0	0	0.0000	0.00
FULL CASH TOTALS	0		712	0	17.06	0.00
ACREAGE: .00					TOTAL TAX DUE FOR 2008	3,284.34

JURISDICTION	2007 TAXES	2008 TAXES
02000 SANTA CRUZ COUNTY	790.87	735.82
07001 NOGALES SD #1	1,828.80	1,583.56
11202 NOGALES SUBURBAN FD	808.05	793.39
11900 FIRE DISTRICT ASSIST	24.87	24.41
15001 SANTA CRUZ COUNTY FC	4.61	147.16

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Caesar Ramirez
Santa Cruz County Treasurer
2150 N Congress Dr
Nogales AZ 85621-1091

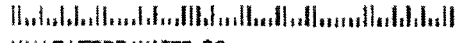
THIS IS A
**CALENDAR YEAR
TAX NOTICE**

NOV 03 2008
BY: 

TOTALS 3,457.20 3,284.34

pd 2/27/08
\$1726.60
ck 1339

928-30-101 6
0005224 01 AV 0324 **AUTO T6 0 0794 85621-966012 PAGE 0001 OF 0002 00005411



VALLE VERDE WATER CO
WILLIAM F RANDALL/OWNER-MANAGER
12 GARDEN VIEW DRIVE
NOGALES AZ 85621-9660

PAYMENT INSTRUCTIONS
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Make your check payable to and mail to:
Caesar Ramirez
Santa Cruz County Treasurer
2150 N Congress Dr
Nogales AZ 85621-1091

pd 1/6/09
ck 1843

THERE WILL BE A CHARGE FOR EACH RETURNED CHECK
AND YOUR TAXES WILL REVERT TO AN UNPAID STATUS.

PLEASE INCLUDE YOUR
PARCEL NUMBER
ON YOUR CHECK.

VALLE VERDE WATER CO.

1843

Caesar Ramirez		11/14/2008			
Date	Type	Reference	Original Amt.	Balance Due	Discount
11/3/2008	Bill	928-30-101	1,642.17	1,642.17	Payment
11/3/2008	Bill	928-30-150	4,492.63	4,492.63	1,642.17
11/3/2008	Bill	113-42-010	264.36	264.36	4,492.63
				Check Amount	264.36
					6,399.16

Wells Fargo Bank

6,399.16

2008 PROPERTY TAX NOTICE

PARCEL #	AREA CODE	PRIMARY TAX RATE PER \$100 ASSESSED VALUE	SECONDARY TAX RATE PER \$100 ASSESSED VALUE	IRRIGATION DISTRICT \$ PER ACRE	2008 TAX SUMMARY				
928-30-150 8	0150	6.8439	3.3599		PRIMARY PROPERTY TAX	8,026.60			
ASSESSMENT		VALUE IN DOLLARS	ASST. %	ASSESSED VALUE	EXEMPTIONS	TAX RATE	TAX	LESS STATE AD TO EDUCATION	
LIMITED LAND, BLDGS, ETC		57,284	23.0	20,078	0	6.8439	1,374.12		0.00
LIMITED PERSONAL PROPERTY		0	0.0	0	0	0.0000	0.00		
LIMITED TOTALS		57,284		20,078	0		1,374.12		
FULL CASH LAND		0	0.0	20,078	0	3.3599	674.60		
FULL CASH BLDINGS, ETC		0	0.0	19,787	0	3.3599	664.62		
FULL CASH PERSONAL PROPERTY		0	0.0	0	0	0.0000	0.00		
FULL CASH TOTALS		0		39,865	0		1,339.62		

0000004

SITUS ADDRESS:

LEGAL DESCRIPTION:

TOTAL VALUE OF OPERATING PROPERTY 106-24-023
87,29402000 SANTA CRUZ COUNTY
07001 NOGALES SD #1
11900 FIRE DISTRICT ASSIST
15001 SANTA CRUZ COUNTY FC2,965.15
6,856.60
93.21
256.74
2,654.24
5,712.15
88.06
530.81

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Caesar Ramirez
Santa Cruz County Treasurer
2150 N Congress Dr
Nogales AZ 85621-1091THIS IS A
CALENDAR YEAR
TAX NOTICE

11/11/2008

928-30-150 8

0005224 01 AV 0324 **AUTO T6 0 0794 85621-666012

PAGE 0002 OF 0002 00005412

|||||

VALLE VERDE WATER CO
WILLIAM F RANDALL/OWNER-MANAGER
12 GARDEN VIEW DRIVE
NOGALES AZ 85621-9660THERE WILL BE A CHARGE FOR EACH RETURNED CHECK
AND YOUR TAXES WILL REVERT TO AN UNPAID STATUS.

PLEASE INCLUDE YOUR

PARCEL NUMBER
ON YOUR CHECK.

TOTALS 10,171.70

8,985.26

PAYMENT INSTRUCTIONS

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Make your check payable to and mail to:

Caesar Ramirez
Santa Cruz County Treasurer
2150 N Congress Dr
Nogales AZ 85621-1091

VALLE VERDE WATER CO.

1843

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
11/3/2008	Bill	928-30-101	1,642.17	1,642.17		1,642.17
11/3/2008	Bill	928-30-150	4,492.63	4,492.63		4,492.63
11/3/2008	Bill	113-42-010	264.36	264.36		264.36
				Check Amount		6,399.16

Wells Fargo Bank

6,399.16